109TH CONGRESS 2D SESSION

S. 3486

To protect the privacy of veterans, spouses of veterans, and other persons affected by the security breach at the Department of Veterans Affairs on May 3, 2006, and for other purposes.

IN THE SENATE OF THE UNITED STATES

June 8, 2006

Mr. Reid (for Mr. Rockefeller (for himself, Mr. Jeffords, Mr. Baucus, Mr. Leahy, and Ms. Stabenow)) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To protect the privacy of veterans, spouses of veterans, and other persons affected by the security breach at the Department of Veterans Affairs on May 3, 2006, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Veterans and Military
- 5 Privacy Protection Act of 2006".

| 1 | SEC. 2. FEDERAL TRADE COMMISSION PROGRAM FOR VET- |
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| 2 | ERANS, SPOUSES OF VETERANS, AND OTHERS |
| 3 | AT RISK OF IDENTITY THEFT. |
| 4 | (a) Program Required.—The Federal Trade Com- |
| 5 | mission shall, in consultation with the Secretary of Vet- |
| 6 | erans Affairs, develop and implement a program to pro- |
| 7 | vide financial counseling and support to any veteran, |
| 8 | spouse, or other person described in subsection (e). |
| 9 | (b) Access.—The program required by subsection |
| 10 | (a) shall be accessible through a toll-free telephone num- |
| 11 | ber (commonly referred to as an "800 number") estab- |
| 12 | lished and operated by the Federal Trade Commission for |
| 13 | purposes of the program. |
| 14 | (c) Elements.—Under the program required by |
| 15 | subsection (a), the Federal Trade Commission shall— |
| 16 | (1) provide to veterans, spouses, and other per- |
| 17 | sons described in subsection (e) such financial and |
| 18 | other counseling as the Commission considers appro- |
| 19 | priate relating to identity theft and the theft of data |
| 20 | as described in that subsection; and |
| 21 | (2) upon request of any veteran, spouse, or |
| 22 | other person described in subsection (e), assist such |
| 23 | individual in securing the placement of an extended |
| 24 | fraud alert or credit security freeze under sections |
| 25 | 605A(b)(3) and 605C of the Fair Credit Reporting |
| 26 | Act, as added by this Act, respectively. |

- 1 (d) Persons Not Subject to Identity Theft.—
- 2 (1) Notice to ftc of identification of
- 3 VETERANS OR OTHERS NOT SUBJECT TO IDENTITY
- 4 THEFT.—Upon conclusively identifying any veteran,
- 5 spouse, or other person described in subsection (e)
- 6 as not being at risk of identity theft as a result of
- 7 the security breach at the Department of Veterans
- 8 Affairs on May 3, 2006, the Secretary shall imme-
- 9 diately notify the Federal Trade Commission of such
- identification.
- 11 (2) NOTICE TO VETERANS AND OTHERS.—The
- program required by subsection (a) shall include
- mechanisms to ensure that any veteran, spouse, or
- other person who seeks counseling and support
- under the program after receipt by the Commission
- of notice under paragraph (1) covering such veteran
- is informed that such veteran or person is no longer
- subject to identity theft as a result of the security
- breach at the Department of Veterans Affairs on
- 20 May 3, 2006.
- 21 (e) APPLICABILITY.—This section shall apply with re-
- 22 spect to—
- 23 (1) any veteran, as defined in section 101 of
- 24 title 38, United States Code, who may be a victim

| 1 | of identity theft as a result of the security breach at |
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| 2 | the Department of Veterans Affairs on May 3, 2006; |
| 3 | (2) any spouse (or former spouse) of such vet- |
| 4 | eran who the Secretary of Veterans Affairs has con- |
| 5 | clusively identified as being at risk of identity theft |
| 6 | as a result of that security breach; and |
| 7 | (3) any other person who the Secretary of Vet- |
| 8 | erans Affairs has conclusively identified as being at |
| 9 | risk of identity theft as a result of that security |
| 10 | breach. |
| 11 | SEC. 3. EXTENDED CONSUMER CREDIT FRAUD ALERTS AND |
| 12 | SECURITY FREEZES FOR VETERANS AND |
| 13 | OTHER PERSONS AFFECTED BY SECURITY |
| 13 | Official Persons Transcribe Br Secontiff |
| 14 | BREACH. |
| | |
| 14 | BREACH. |
| 141516 | BREACH. (a) Automatic Fraud Alerts.—Section 605A(b) |
| 141516 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: |
| 14 15 16 17 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: |
| 14 15 16 17 18 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: "(3) AUTOMATIC EXTENDED FRAUD ALERTS |
| 14 15 16 17 18 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: "(3) AUTOMATIC EXTENDED FRAUD ALERTS FOR CERTAIN VETERANS AND OTHERS AFFECTED BY |
| 14 15 16 17 18 19 20 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: "(3) AUTOMATIC EXTENDED FRAUD ALERTS FOR CERTAIN VETERANS AND OTHERS AFFECTED BY SECURITY BREACH.— |
| 14 15 16 17 18 19 20 21 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: "(3) AUTOMATIC EXTENDED FRAUD ALERTS FOR CERTAIN VETERANS AND OTHERS AFFECTED BY SECURITY BREACH.— "(A) IN GENERAL.—Upon the direct re- |
| 14 15 16 17 18 19 20 21 | BREACH. (a) AUTOMATIC FRAUD ALERTS.—Section 605A(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c–1(b)) is amended by adding at the end the following: "(3) AUTOMATIC EXTENDED FRAUD ALERTS FOR CERTAIN VETERANS AND OTHERS AFFECTED BY SECURITY BREACH.— "(A) IN GENERAL.—Upon the direct request of a veteran, spouse, or other person de- |

| 1 | take the actions specified in subparagraphs (A) |
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| 2 | through (C) of paragraph (1) with respect to |
| 3 | that individual. |
| 4 | "(B) AUTOMATIC ALERTS.—Notwith- |
| 5 | standing the requirements of paragraph (1), a |
| 6 | veteran, spouse, or other person described in |
| 7 | subparagraph (D) is not required to submit any |
| 8 | identity theft report, proof of identity, or other |
| 9 | documentation with respect to an extended |
| 10 | fraud alert required by subparagraph (A). |
| 11 | "(C) Veterans and others not sub- |
| 12 | JECT TO IDENTITY THEFT.—Upon conclusively |
| 13 | identifying any veteran, spouse, or other person |
| 14 | described in subparagraph (D) as not being at |
| 15 | risk of identity theft as a result of the security |
| 16 | breach described in subparagraph (A)— |
| 17 | "(i) the Secretary of Veterans Affairs |
| 18 | shall immediately notify each consumer re- |
| 19 | porting agency and the veteran, spouse, or |
| 20 | other person involved that such individual |
| 21 | is no longer subject to identity theft as a |
| 22 | result of the security breach described in |
| 23 | subparagraph (A); and |
| 24 | "(ii) the requirements of subpara- |
| 25 | graph (A) shall no longer apply with re- |

| 1 | spect to any such veteran, spouse, or other |
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| 2 | person, as of the date of such notification. |
| 3 | "(D) Applicability.—This paragraph |
| 4 | shall apply to— |
| 5 | "(i) any veteran, as defined in section |
| 6 | 101 of title 38, United States Code, who |
| 7 | may be a victim of identity theft as a re- |
| 8 | sult of the security breach at the Depart- |
| 9 | ment of Veterans Affairs on May 3, 2006; |
| 10 | "(ii) any spouse (or former spouse) of |
| 11 | such veteran who the Secretary of Vet- |
| 12 | erans Affairs has conclusively identified as |
| 13 | being at risk of identity theft as a result |
| 14 | of that security breach; and |
| 15 | "(iii) any other person who the Sec- |
| 16 | retary of Veterans Affairs has conclusively |
| 17 | identified as being at risk of identity theft |
| 18 | as a result of that security breach.". |
| 19 | (b) Security Freezes for Veterans.—The Fair |
| 20 | Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended |
| 21 | by inserting after section 605B the following: |
| 22 | "SEC. 605C. SECURITY FREEZES FOR CERTAIN VETERANS. |
| 23 | "(a) Applicability.—This section shall apply with |
| 24 | respect to— |

- "(1) any veteran, as defined in section 101 of title 38, United States Code, who may be a victim of identity theft as a result of the security breach at the Department of Veterans Affairs on May 3, 2006;
 - "(2) any spouse (or former spouse) of such veteran who the Secretary of Veterans Affairs has conclusively identified as being at risk of identity theft as a result of that security breach; and
 - "(3) any other person who the Secretary of Veterans Affairs has conclusively identified as being at risk of identity theft as a result of that security breach.

"(b) Security Freezes.—

- "(1) EMPLACEMENT.—A veteran, spouse, or other person described in subsection (a) may include a security freeze in the file of that veteran, spouse, or other person maintained by a consumer reporting agency described in section 603(p)(1), by making a request to the consumer reporting agency in writing, by telephone, or through a secure electronic connection made available by the consumer reporting agency.
- "(2) Consumer disclosure.—If a veteran, spouse, or other person described in subsection (a) requests a security freeze under this section, the

consumer reporting agency shall disclose to that individual the process of placing and removing the security freeze and explain to that individual the potential consequences of the security freeze. A consumer reporting agency may not imply or inform a
veteran, spouse, or other person described in subsection (a) that the placement or presence of a security freeze on the file of that individual may negatively affect their credit score.

"(c) Effect of Security Freeze.—

"(1) Release of information blocked.—If a security freeze is in place in the file of a veteran, spouse, or other person described in subsection (a), a consumer reporting agency may not release information from the file of that individual for consumer credit purposes to a third party without prior express written authorization from that individual.

"(2) Information provided to third party.—Paragraph (2) does not prevent a consumer reporting agency from advising a third party that a security freeze is in effect with respect to the file of a veteran, spouse, or other person described in subsection (a). If a third party, in connection with an application for credit, requests access to a consumer file on which a security freeze is in place under this

- section, the third party may treat the application as incomplete.
 - "(3) CREDIT SCORE NOT AFFECTED.—The placement of a security freeze under this section may not be taken into account for any purpose in determining the credit score of the veteran, spouse, or other person to whom the security freeze relates.

 "(d) Removal; Temporary Suspension.—
 - "(1) IN GENERAL.—Except as provided in paragraph (4), a security freeze under this section shall remain in place until the veteran, spouse, or other person to whom it relates requests that the security freeze be removed. The veteran, spouse, or other person may remove a security freeze on his or her file by making a request to the consumer reporting agency in writing, by telephone, or through a secure electronic connection made available by the consumer reporting agency.
 - "(2) Conditions.—A consumer reporting agency may remove a security freeze placed in the file of a veteran, spouse, or other person under this section only—
- 23 "(A) upon request of the veteran, spouse, 24 or other person, pursuant to paragraph (1); or

| 1 | "(B) if the agency determines that the file |
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| 2 | of that veteran, spouse, or other person was |
| 3 | frozen due to a material misrepresentation of |
| 4 | fact by that veteran, spouse, or other person. |
| 5 | "(3) Notification to consumer.—If a con- |
| 6 | sumer reporting agency intends to remove a security |
| 7 | freeze pursuant to paragraph (2)(B), the consumer |
| 8 | reporting agency shall notify the veteran, spouse, or |
| 9 | other person to whom the security freeze relates in |
| 10 | writing prior to removing the freeze. |
| 11 | "(4) Temporary suspension.—A veteran, |
| 12 | spouse, or other person described in subsection (a) |
| 13 | may have a security freeze under this section tempo- |
| 14 | rarily suspended by making a request to the con- |
| 15 | sumer reporting agency in writing or by telephone |
| 16 | and specifying beginning and ending dates for the |
| 17 | period during which the security freeze is not to |
| 18 | apply. |
| 19 | "(e) Response Times; Notification of Other |
| 20 | Entities.— |
| 21 | "(1) In General.—A consumer reporting |
| 22 | agency shall— |
| 23 | "(A) place a security freeze in the file of |
| 24 | a veteran, spouse, or other person under sub- |
| 25 | section (b) not later than 5 business days after |

| 1 | receiving a request from the veteran, spouse, or |
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| 2 | other person under subsection (b)(1); and |
| 3 | "(B) remove or temporarily suspend a se- |
| 4 | curity freeze not later than 3 business days |
| 5 | after receiving a request for removal or tem- |
| 6 | porary suspension from the veteran, spouse, or |
| 7 | other person under subsection (d). |
| 8 | "(2) Notification of other agencies.—A |
| 9 | consumer reporting agency shall notify all other con- |
| 10 | sumer reporting agencies described in section |
| 11 | 603(p)(1) of a request under this section not later |
| 12 | than 3 days after placing, removing, or temporarily |
| 13 | suspending a security freeze in the file of the vet- |
| 14 | eran, spouse, or other person under subsection (b), |
| 15 | (d)(2)(A), or $(d)(4)$. |
| 16 | "(3) Implementation by other agencies.— |
| 17 | A consumer reporting agency that is notified of a re- |
| 18 | quest under paragraph (2) to place, remove, or tem- |
| 19 | porarily suspend a security freeze in the file of a vet- |
| 20 | eran, spouse, or other person shall— |
| 21 | "(A) request proper identification from the |
| 22 | veteran, spouse, or other person, in accordance |
| 23 | with subsection (g), not later than 3 business |
| 24 | days after receiving the notification; and |

- 1 "(B) place, remove, or temporarily suspend
- 2 the security freeze on that credit report not
- 3 later than 3 business days after receiving prop-
- 4 er identification.
- 5 "(f) Confirmation.—Except as provided in sub-
- 6 section (c)(3), whenever a consumer reporting agency
- 7 places, removes, or temporarily suspends a security freeze
- 8 at the request of a veteran, spouse, or other person under
- 9 subsection (b) or (d), respectively, it shall send a written
- 10 confirmation thereof to the veteran, spouse, or other per-
- 11 son not later than 10 business days after placing, remov-
- 12 ing, or temporarily suspending the security freeze. This
- 13 subsection does not apply to the placement, removal, or
- 14 temporary suspension of a security freeze by a consumer
- 15 reporting agency because of a notification received under
- 16 subsection (e)(2).
- 17 "(g) ID REQUIRED.—A consumer reporting agency
- 18 may not place, remove, or temporarily suspend a security
- 19 freeze in the file of a veteran, spouse, or other person de-
- 20 scribed in subsection (a) at the request of the veteran,
- 21 spouse, or other person, unless the veteran, spouse, or
- 22 other person provides proper identification (within the
- 23 meaning of section 610(a)(1)) and the regulations there-
- 24 under.

- 1 "(h) Exceptions.—This section does not apply to
- 2 the use of the file of a veteran, spouse, or other person
- 3 described in subsection (a) maintained by a consumer re-
- 4 porting agency by any of the following:
- 5 "(1) A person or entity, or a subsidiary, affil-6 iate, or agent of that person or entity, or an assignee of a financial obligation owing by the veteran, 7 8 spouse, or other person to that person or entity, or 9 a prospective assignee of a financial obligation owing 10 by the veteran, spouse, or other person to that per-11 son or entity in conjunction with the proposed pur-12 chase of the financial obligation, with which the vet-13 eran, spouse, or other person has or had prior to as-14 signment an account or contract, including a de-15 mand deposit account, or to whom the veteran, 16 spouse, or other person issued a negotiable instru-17 ment, for the purposes of reviewing the account or 18 collecting the financial obligation owing for the ac-19 count, contract, or negotiable instrument.
 - "(2) Any Federal, State, or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, subpoena, or other compulsory process.
- 24 "(3) A child support agency or its agents or as-25 signs acting pursuant to subtitle D of title IV of the

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- Social Security Act (42 U.S.C. et seq.) or similar
 State law.
- 3 "(4) The Department of Health and Human 4 Services, a similar State agency, or the agents or as-5 signs of the Federal or State agency acting to inves-6 tigate medicare or medicaid fraud.
 - "(5) The Internal Revenue Service or a State or municipal taxing authority, or a State department of motor vehicles, or any of the agents or assigns of these Federal, State, or municipal agencies acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of their other statutory responsibilities.
 - "(6) The use of consumer credit information for the purposes of prescreening, as provided for under this title.
 - "(7) Any person or entity administering a credit file monitoring subscription to which the veteran, spouse, or other person has subscribed.
 - "(8) Any person or entity for the purpose of providing a veteran, spouse, or other person with a copy of his or her credit report or credit score upon request of the veteran, spouse, or other person.
- 24 "(i) Fees.—

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1 "(1) In General.—Except as provided in para-2 graph (2), a consumer reporting agency may charge 3 a reasonable fee, for placing, removing, or tempo-4 rarily suspending a security freeze in the file of the 5 veteran, spouse, or other person described in sub-6 section (a), which cost shall be submitted to and 7 paid by the Department of Veterans Affairs, pursu-8 ant to procedures established by the Secretary of 9 Veterans Affairs. 10 "(2) ID THEFT VICTIMS.—A consumer report-11 ing agency may not charge a fee for placing, remov-12 ing, or temporarily suspending a security freeze in 13 the file of a veteran, spouse, or other person de-14 scribed in subsection (a), if— "(A) the veteran, spouse, or other person 15

- "(A) the veteran, spouse, or other person is a victim of identity theft;
- "(B) the veteran, spouse, or other person requests the security freeze in writing;
- "(C) the veteran, spouse, or other person has filed a police report with respect to the theft, or an identity theft report (as defined in section 603(q)(4), within 90 days after the date on which the theft occurred or was discovered by the veteran, spouse, or other person; and

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| 1 | "(D) the veteran, spouse, or other person |
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| 2 | provides a copy of the report to the reporting |
| 3 | agency. |
| 4 | "(j) Limitation on Information Changes in |
| 5 | Frozen Reports.— |
| 6 | "(1) In general.—If a security freeze is in |
| 7 | place in the file of a veteran, spouse, or other person |
| 8 | described in subsection (a), the consumer reporting |
| 9 | agency may not change any of the following official |
| 10 | information in that file without sending a written |
| 11 | confirmation of the change to the veteran, spouse, or |
| 12 | other person within 30 days after the date on which |
| 13 | the change is made: |
| 14 | "(A) Name. |
| 15 | "(B) Date of birth. |
| 16 | "(C) Social Security number. |
| 17 | "(D) Address. |
| 18 | "(2) Confirmation.—Paragraph (1) does not |
| 19 | require written confirmation for technical modifica- |
| 20 | tions of the official information of a veteran, spouse, |
| 21 | or other person, including name and street abbrevia- |
| 22 | tions, complete spellings, or transposition of num- |
| 23 | bers or letters. In the case of an address change, the |
| 24 | written confirmation shall be sent to both the new |

address and to the former address of the veteran,
 spouse, or other person.

"(k) CERTAIN ENTITY EXEMPTIONS.—

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- "(1) AGGREGATORS AND OTHER AGENCIES.—
 The provisions of this section do not apply to a consumer reporting agency that acts only as a reseller of credit information by assembling and merging information contained in the data base of another consumer reporting agency or multiple consumer reporting agencies, and does not maintain a permanent data base of credit information from which new consumer credit reports are produced.
- "(2) OTHER EXEMPTED ENTITIES.—The following entities are not required to place a security freeze in the file of a veteran, spouse, or other person described in subsection (a) in accordance with this section:
 - "(A) A check services or fraud prevention services company, which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payments.
- 24 "(B) A deposit account information service 25 company, which issues reports regarding ac-

| 1 | count closures due to fraud, substantial over- |
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| 2 | drafts, ATM abuse, or similar negative informa- |
| 3 | tion regarding such veteran, spouse, or other |
| 4 | person, to inquiring banks or other financial in- |
| 5 | stitutions for use only in reviewing the request |
| 6 | of such veteran, spouse, or other person for ϵ |
| 7 | deposit account at the inquiring bank or finan- |
| 8 | cial institution.". |
| 9 | (c) Fees.—Any fee associated with an extended |
| 10 | fraud alert or security freeze required by the amendments |
| 11 | made by this section that would otherwise be required to |
| 12 | be paid by the consumer shall be paid by the Department |
| | |
| 13 | of Veterans Affairs. |
| 13 14 | of Veterans Affairs. SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS |
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| 14 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS |
| 14 15 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY |
| 141516 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY BREACH. |
| 14151617 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY BREACH. Section 1028 of title 18, United States Code, is |
| 14 15 16 17 18 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY BREACH. Section 1028 of title 18, United States Code, is amended— |
| 14 15 16 17 18 19 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY BREACH. Section 1028 of title 18, United States Code, is amended— (1) in subsection (b), by striking "The punish- |
| 14151617181920 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY BREACH. Section 1028 of title 18, United States Code, is amended— (1) in subsection (b), by striking "The punishment for" and inserting the following "Except as |
| 14 15 16 17 18 19 20 21 | SEC. 4. PENALTIES FOR IDENTITY THEFT OF VETERANS AND OTHERS RELATED TO SECURITY BREACH. Section 1028 of title 18, United States Code, is amended— (1) in subsection (b), by striking "The punishment for" and inserting the following "Except as provided in subsection (j), the punishment for"; and |

| 1 | "(1) In General.—In determining the punish- |
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| 2 | ment applicable under subsection (b), if the offense |
| 3 | is an offense described in paragraph (2), the fine |
| 4 | and term of imprisonment otherwise applicable |
| 5 | under subsection (b) shall be doubled. |
| 6 | "(2) Type of offense.—An offense described |
| 7 | in this paragraph is an offense under subsection (a) |
| 8 | that— |
| 9 | "(A) involves any document or other infor- |
| 10 | mation— |
| 11 | "(i) relating to a veteran (as defined |
| 12 | in section 101 of title 38), a spouse of a |
| 13 | veteran, or other person; and |
| 14 | "(ii) obtained as a direct or indirect |
| 15 | result of the security breach at the Depart- |
| 16 | ment of Veterans Affairs on May 3, 2006 |
| 17 | and |
| 18 | "(B) was committed after the date of en- |
| 19 | actment of this subsection.". |
| 20 | SEC. 5. FUNDING. |
| 21 | (a) Reimbursement.—The Secretary of Veterans |
| 22 | Affairs shall reimburse the Federal Trade Commission for |
| 23 | any costs incurred by the Commission in carrying out this |
| 24 | Act and the amendments made by this Act. |

| 1 | (b) Availability of Funds.—Amounts appro- |
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| 2 | priated to the Secretary and available for obligation may |
| 3 | be utilized for purposes of reimbursement of the Federal |
| 4 | Trade Commission under subsection (a). |
| 5 | SEC. 6. COMPTROLLER GENERAL STUDIES ON DATA PRO- |
| 6 | TECTION AND OTHER MATTERS. |
| 7 | (a) Study on Data Protection by Department |
| 8 | OF VETERANS AFFAIRS.— |
| 9 | (1) IN GENERAL.—The Comptroller General of |
| 10 | the United States shall conduct a study of the data |
| 11 | protection procedures of the Department of Veterans |
| 12 | Affairs. |
| 13 | (2) Elements.—The study required by para- |
| 14 | graph (1) shall include the following: |
| 15 | (A) A review and assessment of the data |
| 16 | protection procedures of the Department of |
| 17 | Veterans Affairs in effect before May 3, 2006. |
| 18 | (B) A review and assessment of any modi- |
| 19 | fications of the data protection procedures of |
| 20 | the Department of Veterans Affairs adopted as |
| 21 | a result of the loss of data resulting from the |
| 22 | security breach at the Department on May 3, |
| 23 | 2006. |
| 24 | (b) Study on Security Breach Investigation by |
| 25 | DEPARTMENT OF VETERANS AFFAIRS.— |

- 1 (1) IN GENERAL.—The Comptroller General of 2 the United States shall conduct a review and assess-3 ment of the investigation carried out by the Depart-4 ment of Veterans Affairs with respect to the security 5 breach at the Department on May 3, 2006.
- 6 (2) COOPERATION.—The Secretary of Veterans
 7 Affairs shall ensure that the personnel of the De8 partment of Veterans Affairs cooperate fully with
 9 the Comptroller General in the conduct of the review
 10 and assessment required by paragraph (1).
- 11 (c) STUDY ON FTC PROGRAM FOR VETERANS AND 12 OTHERS AT RISK OF IDENTITY THEFT.—The Comptroller 13 General of the United States shall conduct a study of the program of the Federal Trade Commission for veterans, 14 15 spouses of veterans, and other persons at risk of identity theft required by section 2. The study shall include an as-16 17 sessment of the effectiveness of the program in meeting 18 the financial counseling and similar needs of individuals 19 seeking counseling and support through the program.
- 20 (d) Study on Compliance of Federal Agencies21 With Requirements on Personal Data.—
- 22 (1) IN GENERAL.—The Comptroller General of 23 the United States shall conduct a study of the com-24 pliance of the departments and agencies of the Fed-25 eral Government with applicable requirements relat-

- 1 ing to the preservation of the confidentiality of per-2 sonal data.
 - (2) Elements.—The study required by paragraph (1) shall include the following:
 - (A) A review and assessment of the current procedures and practices of the departments and agencies of the Federal Government regarding the preservation of the confidentiality of personal data.
 - (B) A comparative analysis of the procedures practices referred to in subparagraph (A) with current standards of the Federal Trade Commission for the preservation of the confidentiality of personal data by commercial and non-commercial private entities.
 - (C) A review and assessment of the modifications of the data protection procedures adopted by the Department of Veterans Affairs as a result of the loss of data resulting from the security breach on May 3, 2006, including an assessment of the feasibility and advisability of the adoption of any such modifications by other departments and agencies of the Federal Government.

| 1 | (D) An identification of recommendations |
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| 2 | for improvements to the procedures and prac- |
| 3 | tices of the departments and agencies of the |
| 4 | Federal Government regarding the preservation |
| 5 | of the confidentiality of personal data. |

6 (e) Report.—Not later than 18 months after the
7 date of the enactment of this Act, the Comptroller General
8 of the United States shall submit to Congress a report
9 setting forth the results of each study conducted under
10 this section. The report shall set forth the results of each
11 study separately, and shall include such recommendations
12 for legislative and administrative action as the Comp13 troller General considers appropriate in light of the stud14 ies.

15 SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of Veterans Affairs, such sums as may be necessary to carry out this Act and the amendments made by this Act.

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